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C O N F I D E N T I A L MINSK 000676

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DEPT FOR EB/ESC/IEC GALLOGLY AND GARVERICK
DOE FOR HARBERT/EKIMOFF/PISCITELLI/TILLER

E.O. 12958: DECL: 08/02/2017

TAGS: [FPET](#) [PGOV](#) [PREL](#) [BO](#) [RS](#)

SUBJECT: LUKASHENKO ORDERS GOB TO PAY UP

REF: A. MINSK 674
 [1](#)B. 06 MINSK 1314
 [1](#)C. MINSK 013

Classified By: A/DCM Kirby Nelson for reason 1.4 (d).

Summary

[11.](#) (C) Lukashenko publicly announced he ordered his government to withdraw money from its foreign reserves to pay off its debt to Gazprom. GOB officials and independent commentators alike predicted that Minsk would seek to avoid escalating the gas crisis with Moscow. Belarusian state media outlets refrained from engaging in anti-Russian propaganda, focusing instead on keeping the door open for support from the EU. Fortunately, the GOB in the end did not seek to play Moscow and the EU off one another by prolonging the dispute and disrupting the transit of gas westward. End summary.

GOB Officialdom: We will Find a Solution

[12.](#) (SBU) On August 2, Lukashenko announced "I gave the command to take money from the reserves and pay them USD 460 million." He reportedly turned down a Russian offer of a stabilization loan at 8.5 percent interest, claiming "today we can get such a credit from any country." Apparently Minsk had been hoping for something better as late as the morning of August 2. At that time Acting Chair of Parliament's National Security Committee Viktor Guminskiy told Acting Pol/Econ Chief that negotiations between Minsk and Moscow were underway.

Independent Commentators Agreed Belarus Had Few Options

[13.](#) (U) Former Prime Minister Mikhail Chigir told reporters Minsk's only reaction could be "negotiation and more negotiation," and predicted the conflict could be resolved without talks between Putin and Lukashenko. Former Chairman of the National Bank Stanislav Bogdanovich told the internet site "Belorusskiy partisan" that Minsk had underestimated Russia's will, and said paying its debt would be the only responsible course of action.

Main Propaganda Outlets Restrained, Sought EU Action

[14.](#) (U) As predicted by a post contact (ref A), Minsk's

propaganda machine did not rehash the same rhetoric it used in the energy disputes in late 2006 (refs B and C) and January 2007. Belarusian Television's Panorama newscast the night of August 1 refrained from inflaming the conflict, merely calling Gazprom a 'monopolist,' hardly the worst insult in a country still dominated by large state industries. State newspapers did not feature the gas conflict prominently. Also, in contrast to December 2006, no official news source discussed Belarusian gas reserves as a means to withstand a reduction in gas transfers.

¶15. (U) In a strained attempt to suggest the EU would support Belarus in the gas conflict, Panorama broadcast an interview with German Ambassador Gerhard Weiss mentioning German interest in cooperating with Belarus on alternative energy.

Comment: Even Dictators Don't Always Get Their Way

¶16. (C) In the last gas and oil crisis Belarus was able to salvage a respectable deal in part by playing on Russia's fears of being portrayed as an unreliable supplier. This time Russia had an existing contract in hand and Lukashenko saw the same strategy as untenable. If he would have persisted in his unwillingness to honor a contract signed just eight months ago, the dictator would have made clear that the greatest living threat to Europe's energy security resides in Minsk.

Stewart